

MCDONNELL DOUGLAS

McDonnell Douglas Realty Company

THOMAS J. MOTHERWAY
President

August 11, 1997

Mr. Thomas J. Quinn
LOCKHEED MARTIN
LMC Properties, Inc.
P.O. Box 5061
Baltimore, Maryland 21220

Mr. Stephen G. Hoy
FREMONT ASSOCIATES
970 W. 190th Street, Suite 220
Torrance, CA 90502

Re: Proposed Vesting Tract Map/ EIR Approval

Gentlemen:

This will confirm our agreement not to appeal the Lockheed Martin/Fremont Vesting Tract Map/EIR, subject to mutually satisfactory documentation prior to the end of the City Appeal Period, the following conditions:

1. Termination of easement rights across our property (rail, sanitary sewer and electrical). OK
2. Concurrence by the City that no permitting or City barriers exist to implementation of the plan attached as Exhibits "A" and "B". ?
3. A Reciprocal Easement Agreement ("REA") to document our understanding as to the setbacks and fire lane along the mutual boundary of our properties. We understand that the REA will need to be completed prior to the Fremont/Lockheed closing, and that you will prepare a draft REA for our review. OK
4. MDRC will prepare documentation which terminates all rail, sewer and electrical easements held by Lockheed Martin in the MDRC property for your review. MDRC will also prepare a mutually acceptable Easement Agreement to provide access to new sanitary sewer and electrical by means of MDRC's property (per our July 18 letter). OK
5. City Approval: Issuance by the City of an approval of the Fremont EIR and Tract Map which is consistent with the staff report and discussion at the public hearing and does not raise new issues of significance to MDRC. OK

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6. Environmental: Written document confirming Lockheed Martin agreement to allow MDRC to proceed immediately with environmental testing and monitoring wells installation along the western portion of the MDRC property subject to a budget allowance of \$150,000 funded by Lockheed Martin. . The well installation locations shall be reviewed and approved by our respective environmental agencies (DTSC and RWQCB). Lockheed Martin will provide MDRC with a mutually acceptable environmental indemnity for impacts caused by the Lockheed Martin property to the MDRC site. Furthermore, Lockheed Martin understands that MDRC will reserve all of its rights concerning remedial actions applicable to the environmental impacts on our property caused by the Lockheed Martin property. (75%)
7. Completion of Traffic Mitigation Cost Sharing Agreement that we understand you will present to us this week so that it can be documented in final form acceptable to L.A. Department of Transportation. (90%)

We sincerely appreciate your expeditious responses last week and we look forward to attaining closure of all the above issues prior to the expiration of the City of L.A.'s 10-day Appeal Period, which we now expect to be no earlier than August 21, 1997. Assuming that this accurately documents our agreement, we would appreciate your faxing back a copy of your signatures to allow everyone to proceed with the detailed items noted above.

Thank you.

Sincerely,


Thomas J. Motherway

cc: Tom Wolff
Brad Rosenheim

Approved By:

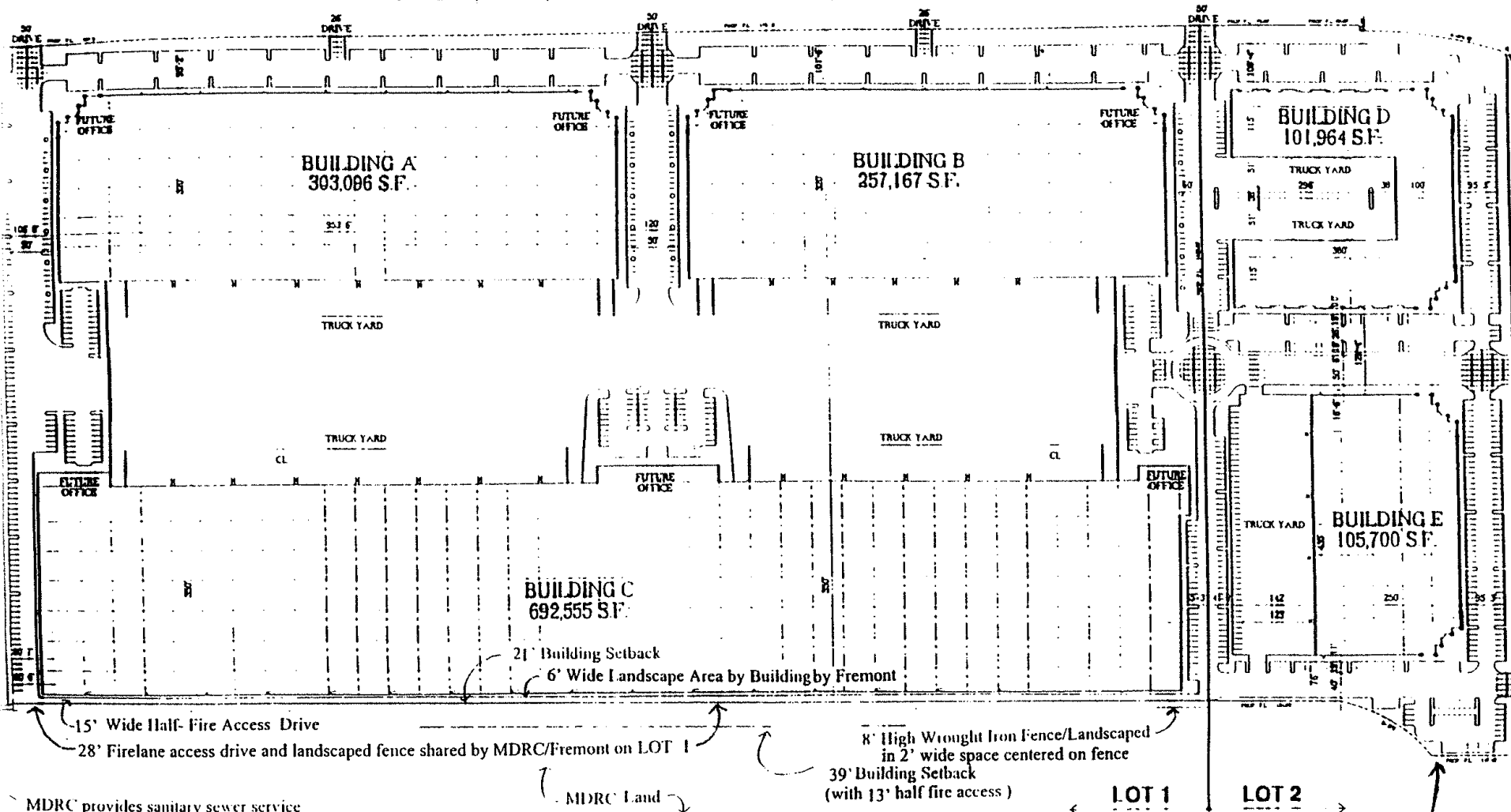
Thomas J. Quinn Date
LMC Properties, Inc.

Approved By:

Stephen G. Hoy Date
Fremont Associates

WESTERN AVENUE

1 9 0 t h S T R E E T



MDRC provides sanitary sewer service and electrical power service to SE corner (LM abandons easements north of this point)

EXHIBIT 'A' SITE PLAN NOTES

8' wrought iron fence and bougainvillea shared by MDRC/Fremont with each party to plant, irrigate, and maintain the 3' space on respective side of the screen fence on LOT 2.

EXHIBIT 'B'
TYPICAL SITE SECTIONS

